

Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 11406 01 OF 02 081819Z
ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02
FEAE-00 OMB-01 /121 W
-----016955 081842Z /53

R 081759Z SEP 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 1725
INFO ALL EC CAPITALS
AMEMBASSY TOKYO
USMISSION GENEVA

UNCLAS SECTION 01 OF 02 BRUSSELS 11406

USEEC

E.O. 11652: N/A
TAGS: ETRD, EEC, GATT
SUBJECT: COMMISSION GUIDELINES FOR TEXTILE NEGOTIATIONS

REF: BRUSSELS 8959

1. EC COMMISSION ADOPTED ON SEPTEMBER 7 A SET OF GUIDELINES FOR NEGOTIATING BILATERAL AGREEMENTS ON TEXTILE IMPORTS FROM A NUMBER OF LDC'S BETWEEN NOW AND END OF YEAR. TEXT OF STATEMENT RELEASED BY COMMISSION ON THIS SUBJECT FOLLOWS:
2. QUOTE: THE COMMISSION HAS ADOPTED A PROPOSAL TO THE COUNCIL ON DIRECTIVES FOR THE NEGOTIATION OF BILATERAL AGREEMENTS UNDER THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (MFA) (1).

THE COMMISSION IS RECOMMENDING THAT THE COUNCIL
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 11406 01 OF 02 081819Z

APPROVE THE NEGOTIATING DIRECTIVES BY THE END OF SEPTEMBER, IN ORDER TO ENABLE THE COMMISSION TO ENTER INTO NEGOTIATIONS EITHER FOR FORMAL AGREEMENT UNDER THE MFA OR FOR SUITABLE ARRANGEMENTS WITH THE SUPPLIER COUNTRIES LISTED IN THE ANNEX.

IT IS ESSENTIAL TO KEEP TO THIS TIMETABLE IF THE

REQUIREMENTS AND TIME LIMITS IMPOSED BY THE COUNCIL ITSELF IN ITS MAY AND JUNE 1977 DIRECTIVES ON THE RENEWAL OF THE MFA ARE TO BE RESPECTED. THE COMMISSION WILL SHORTLY CONTACT THE COUNTRIES CONCERNED, IN ORDER TO ASK THEM TO PREPARE FOR NEGOTIATIONS AS FROM THE SECOND WEEK IN OCTOBER. ITS INTENTION IS THAT ALL AGREEMENTS AND ARRANGEMENTS SHOULD BE CONCLUDED BY THE END OF NOVEMBER. THIS WILL ENABLE THE COUNCIL TO REVIEW THE OUTCOME OF THE NEGOTIATIONS IN THE FIRST FORTNIGHT OF DECEMBER, BEFORE TAKING AN APPROPRIATE DECISION ON THE IMPORT ARRANGEMENTS TO APPLY IN THE COMMUNITY FROM 1 JANUARY 1978.

IF THE COUNCIL IS SATISFIED WITH THE OUTCOME OF THE NEGOTIATIONS, IT MAY APPROVE THE EXTENSION OF THE MFA IN ITS PRESENT FORM FOR A FURTHER FOUR YEARS BY HAVING THE COMMUNITY ACCEDE TO THE PROTOCOL DRAWN UP FOR THIS PURPOSE ON THE BASIS OF THE TEXTILES COMMITTEE DOCUMENT COM. TEX/W/44 OF 24 JULY 1977.

IF THE NEGOTIATIONS FAIL, OR THE OUTCOME IS INCOMPLETE AND INADEQUATE, THE COUNCIL COULD DECIDE TO INTRODUCE UNILATERAL ARRANGEMENTS TO REGULATE TEXTILE IMPORTS FROM 1 JANUARY 1978. IN ORDER TO AVOID ANY POSSIBILITY OF A LEGAL VACUUM, THE COMMISSION HAS ALREADY INSTRUCTED ITS DEPARTMENTS TO START PREPARING THE POSSIBLE INTRO-
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 11406 01 OF 02 081819Z

DUCTION OF A UNILATERAL REGIME, ADAPTED ACCORDING TO THE PRODUCTS AND THE RESULTS OF THE NEGOTIATIONS.

3. THE DIRECTIVES PROPOSED BY THE COMMISSION FORM PART OF AN OVERALL APPROACH, WHICH AIMS TO BE BOTH LOGICAL AND CONSISTENT.

IT IS OBVIOUS, FIRSTLY, THAT ANY LIBERALIZATION OF THE COMMUNITY'S TRADE IN THE HIGHLY SENSITIVE TEXTILE SECTOR CAN TAKE PLACE ONLY WHEN THE PROBLEMS OF MARKET DISRUPTION WITHIN THE COMMUNITY HAVE BEEN RESOLVED. IN SHORT, THESE DIFFICULTIES CAN ONLY BE SOLVED IF THE GROWTH IN TEXTILE IMPORTS FROM SUPPLYING COUNTRIES WHOSE PRODUCTION COSTS ARE TOO LOW IN RELATION TO THOSE IN THE COMMUNITY CAN BE SLOWED DOWN.

NEXT, IT IS VITAL TO RESTORE PROPER ORDER TO THE WHOLE SYSTEM OF TEXTILE IMPORTS INTO THE COMMUNITY. FROM 1 JANUARY 1978 A SYSTEM OF SURVEILLANCE AND CONTROL WILL BE ESTABLISHED APPLYING TO ALL TEXTILE IMPORTS FROM ALL SOURCES, IN ORDER TO PROVIDE DETAILED, PRECISE AND RAPID INFORMATION WHICH WILL GIVE COMMUNITY AUTHORITIES A

BETTER KNOWLEDGE OF IMPORT FLOWS.

IT WILL ALSO BE NECESSARY TO ESTABLISH A NEW RULES OF ORIGIN COVERING ALL TEXTILE PRODUCTS, IN ORDER TO PREVENT THE ABUSES AND DEFLECTIONS OF TRADE WHICH CAN OCCUR.

THIRDLY, ANY FURTHER OPENING UP OF MARKETS MUST BE ACCOMPANIED BY ADEQUATE RECIPROCITY FROM THE COMMUNITY'S TRADING PARTNERS, IN BOTH THE TARIFF AND NON-TARIFF FIELDS.

FOURTHLY, STATES WHICH HAVE CONCLUDED PREFERENTIAL

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BRUSSE 11406 02 OF 02 081823Z
ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02
FEAE-00 OMB-01 /121 W
-----016992 081840Z /53

R 081759Z SEP 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 1726
INFO ALL EC CAPITALS
AMEMBASSY TOKYO
USMISSION GENEVA

UNCLAS SECTION 02 OF 02 BRUSSELS 11406

AGREEMENTS WITH THE COMMUNITY WILL BE ASKED TO PLAY THEIR PART IN THE ATTEMPTS TO MODERATE THE GROWTH OF TEXTILE IMPORTS. ACCOUNT WILL BE TAKEN IN THIS CONTEXT OF THEIR CONTRACTUAL TIES WITH THE COMMUNITY.

FIFTHLY, THE TEXTILES GSP FOR 1979 WILL BE REVISED AND IMPROVED, IN ORDER TO ACHIEVE A SUBSTANTIAL INCREASE IN THE GSP VOLUME FOR TEXTILES, WHILE GRANTING MORE GENEROUS TREATMENT TO THOSE COUNTRIES HAVING MADE SIGNIFICANT CONCESSIONS UNDER BILATERAL AGREEMENTS WITH THE COMMUNITY.

LASTLY, THIS INTEGRATED POLICY FOR OPENING UP THE MARKETS WILL BE BACKED UP BY A REAL INDUSTRIAL POLICY.

INDEED, THE WHOLE EXTERNAL POLICY WOULD BE COMPROMISED
IF THE COMMUNITY'S TEXTILE INDUSTRIES PROVED UNABLE TO
ADAPT TO THE NEW SITUATION AND TO SPEED UP AND
INTENSIFY THEIR RESTRUCTURATION.

4. THE PROPOSED NEGOTIATING DIRECTIVES ARE BASED ON
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 11406 02 OF 02 081823Z

AN OVERALL APPROACH DESIGNED TO ENSURE A BALANCE OF
ADVANTAGES AND CONCESSIONS FOR THE COMMUNITY AND EACH
OF THE OTHER COUNTRIES CONCERNED.

IN TERMS OF QUANTITIES, THE COMMUNITY IS PREPARED TO
OFFER EACH SUPPLYING COUNTRY AN ANNUAL GROWTH RATE
OF 6 PERCENT FOR ITS TOTAL EXPORTS TO THE COMMUNITY.
WHERE SPECIFIC PRODUCTS ARE CONCERNED, THIS GROWTH
RATE WILL NATURALLY VARY TO TAKE ACCOUNT OF THE
SENSITIVITY OF THE PRODUCT AND THE SUPPLIERS' POSITION
ON THE COMMUNITY MARKETS.
THE COMMUNITY'S TREATMENT OF THE INDIVIDUAL SUPPLYING
COUNTRIES WILL ALSO BE INFLUENCED BY FACTORS SUCH AS
THEIR LEVEL OF DEVELOPMENT AND STRUCTURE OF EXPORTS,
ETC.

IN EXCHANGE FOR SLOWER GROWTH IN TEXTILE IMPORTS OVER
THE NEXT FOUR YEARS (AN AVERAGE OF 6 PERCENT PER YEAR,
RATHER THAN THE FORMER FIGURE OF 22 PERCENT), THE
COMMUNITY WILL BE OFFERING SECURITY IN THE ADMINISTRA-
TION AND UTILIZATION OF THE CEILINGS AND LIMITS AGREED
ON. THIS ELEMENT OF SECURITY IS VITAL BOTH FOR THE
TRADE AND FOR THE EXPORTING COUNTRIES, AND IT IS WELL
KNOWN THAT MARKET DISRUPTION AND SECURITY DO NOT GO
TOGETHER. IT WILL ACCORDINGLY BE NECESSARY TO TAKE
THE NECESSARY STEPS TO PREVENTING THE INTRODUCTION OF
NATIONAL MEASURES OR OBSTACLES TO TRADE WHICH COULD
HAVE THE EFFECT OF UNDERMINING THE DESIRED SECURITY.

THE COMMISSION FEELS STRONGLY THAT THE APPROACH IT
HAS TAKEN IS REALISTIC AND RESPONSIBLE, AND THAT IN
THE LAST ANALYSIS THIS IS THE SUREST WAY TO RESTORE
ORDER AND SECLRITY IN A SECTOR WHICH HAS BEEN SUFFER-
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 11406 02 OF 02 081823Z

ING FROM DISRUPTION. END QUOTE. MORRIS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, POLICIES, NEGOTIATIONS, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE11406
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770325-0917
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770988/aaaacvvt.tel
Line Count: 222
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9e7aaa4a-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 8959
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1353113
Secure: OPEN
Status: NATIVE
Subject: COMMISSION GUIDELINES FOR TEXTILE NEGOTIATIONS
TAGS: ETRD, EEC, GATT
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/9e7aaa4a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009